

Questions for the Record for Ambassador Robert E. Lighthizer
U.S. House Ways and Means Committee
Hearing on U.S.-China Trade
February 27, 2019

From Representative John Larson to Ambassador Robert E. Lighthizer

Canadian Reinsurance Regulatory Proposal

1. Ambassador Lighthizer, I would like to raise an emerging topic in Canada that is causing a great deal of alarm for U.S. insurers and reinsurers. Despite strong concerns from the U.S. insurance industry and the Canadian insurance industry, I understand that Canada's financial regulator is moving forward with plans to severely restrict cross-border reinsurance trade in a way that will make it very difficult for U.S. insurers to do business in Canada. Not only would those measures harm the U.S. insurance industry, but they are also inconsistent with our goals to seek fair trade and best practices for insurance regulation. Has USTR been in touch with the Canadian authorities to protest the direction Canada is headed? If so, do you see a path forward for working with the Canadian authorities to make sure that insurance trade flows between the U.S. and Canada aren't adversely affected by these measures? If not, is this an issue that is on the radar of your office and would you or your staff considering reaching out to the Canadian authorities to try to fix this emerging problem?

Answer: The Administration is aware of concerns with respect to actions Canada may be taking involving reinsurance that could negatively impact the ability of U.S. reinsurers to do business in Canada. We expect Canada to be mindful of its trade commitments as it undertakes revisions to its policies with respect to supply of reinsurance. We look forward to staying in touch with Members of Congress on this issue.